P 021532Z OCT 08 FM AMEMBASSY LUANDA TO SECSTATE WASHDC PRIORITY 5055 INFO SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE

UNCLAS LUANDA 000774

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>ECON</u> <u>AO</u>

SUBJECT: Peace Pays Rich Dividends

11. (SBU) SUMMARY. Six years after the end of decades of civil war, the provinces of Huila and Namibe are undergoing a renaissance, with huge public investments in roads, railroads, schools, clinics, administrative buildings, telecommunications and potable water. Despite these efforts and significant private investment as well, problems remain, particularly in developing human capacity for the education and health sectors and in reviving agriculture, all affected by dislocations caused by the war. The ongoing reconstruction of both provinces helps explain the MPLA triumph in the September 5 legislative elections in the two provinces. End Summary.

Huila and Namibe Provinces: On the Move

- 12. (U) The Ambassador's September 21-27 visits to Huila and Namibe provinces revealed two provinces dynamically rebuilding following the 2002 end of the nation's decades-long, devastating civil war. The two provinces are quite different: Huila is a heavily populated inland province that suffered horrific devastation during the civil war and whose population largely fled the countryside to take refuge in urban centers. Namibe Province, in contrast, is primarily desert, is lightly populated and experienced virtually no destruction from the war. After six years of peace, both provinces are energetically rebuilding, driven by both public and private sector investment.
- ¶3. (U) GRA investments in the provinces include massive road and bridge reconstruction, new/rehabilitated administrative buildings, new schools and health posts, rehabilitated public parks and other civic amenities, and ongoing installation of a fiber-optic cable to connect provincial capitals. The government is also rebuilding the Namibe-Lubango-Menongue railroad line, half of which was destroyed during the war. The line, which is expected to reopen by the end of the year, is essential to GRA plans to rebuild eastern Huila's rich iron mines, which closed in the early 70's due to security concerns. (Septel accesses commercial opportunities created by the railroad's reconstruction.) The Namibe Port Director told the Ambassador that the government plans to lengthen the commercial port by 500 meters and to rehabilitate the iron ore-loading terminal to accommodate ore from the planned reconstruction of the iron mines. Namibe province is also working to build a fisheries industry to take advantage of the rich waters along the province's coast.
- 14. (U) Private investment is also highly visible throughout both provinces. The countryside is marked by large numbers of newly built, mud-brick homes with corrugated metal roofs; towns and cities are filled by new/rehabilitated shops and residences. Also, South Africa Breweries/Miller 'Ngola brewery in Lubango, which also operates a Coca-Cola factory, has aggressive plans for expanded production.

USG Saves Lives

15. (U) USG anti-malaria programs implemented by USAID with technical assistance from CDC are active in both provinces, especially the heavily populated urban centers of Huila Province, where funds from the President's Malaria Initiative are training over 200 workers to spray sleeping areas in more than 80,000 homes, thereby protecting nearly 440,000 individuals from mosquitoes. PMI also supports distribution of insecticide-treated bednets in both provinces to protect small children and pregnant women, two groups extremely vulnerable to malaria. USG funding also supports the availability of the latest generation drugfor treatment of malaria, Coartem, in the two provinces. GRA efforts to increase capacity in the health sector are severely constrained by the lack of doctors, nurses, technicians and other trained staff. Newly arrived Cuban doctors

and nurses are helping to fill the void, but shortages remain.

Defying Expectations, MPLA Wins Big

16. (U) During the September 5 legislative elections, both provinces went resoundingly for the ruling MPLA, which won over 90 percent of the vote in each province, thus freezing out UNITA, which had anticipated deeper support in the provinces, based on its showing in the 1992 elections. The MPLA party secretary in Huila told the Ambassador that the shift represented the electorate's recognition that the MPLA had brought peace and reconstruction to the people, tangible benefits that the opposition could not match. UNITA's party representative, on the other hand, could offer nothing concrete in explaining why voters should have voted for her party instead of the ruling party; she was at a loss as to how UNITA could broaden its support for future elections.

Comment

 $\P7$. (SBU) Huila and Namibe are two provinces richly reaping the benefits of peace. Provincial leaders' big plans for redevelopment of their respective provinces are matched by plentiful resources from the state. Nonetheless, significant challenges remain in both provinces: How to rebuild Huila's once vibrant agricultural sector, given a largely depopulated countryside; for example, the population of the erstwhile breadbasket municipality of Cauluquembe has fallen from a pre-independence total of 200,000 to around 60,000 today, most of whom live in the towns. How to tap Namibe's rich tourist potential, given very limited tourism infrastructure. How to staff adequately the increasing number of freshly built schools and health posts. Nonetheless, the provinces' energy and dynamism were welcomed contrasts to that felt in Kwanza Norte, which the Ambassador traversed in his drive back to Luanda, where nothing was happening - roads largely ignored, no evident new houses, shops or public investment - a phenomenon Angolans "credit" to a recently replaced ineffective governor.

MOZENA